

CHAPTER 1. GENERAL

1. PURPOSE. This manual establishes Departmental policy for the examination and certification of vouchers and invoices, except payrolls, so as to effect prompt and proper payment of liabilities and to assist in good administration of DOT appropriations and funds by providing a vital link in the system of internal control over payments.
2. RESPONSIBILITIES OF ACCOUNTING OFFICERS. Each accounting officer shall provide for an adequate and economical system for examining vouchers and invoices prior to their certification for payment. The system of examination shall be:
 - a. Organized and conducted in a manner which will assure that expenditures are properly authorized and are not in contravention of laws, regulations, or administrative limitations applicable to appropriations or funds to be charged.
 - b. Coordinated to prevent duplication of work or unnecessary delay in the payment of vouchers and invoices. Documents should be subject to only a single examination, if possible. Prompt payment as required under the Prompt Payment Act (PL 97-177) and as implemented by OMB Circular A-125 and this manual will reduce or eliminate the necessity to pay interest penalties. Additionally, it should reduce correspondence, prevent excessive record keeping and maintain good relationships with vendors.
3. ROLE OF THE VOUCHER EXAMINER.
 - a. General. The voucher examiner, through the process of examination and certification has, in addition to a responsibility for examination for the propriety and legality of payment, a responsibility for providing an effective service to the Department and the public in carrying out the Departmental policy of prompt payment and for promoting the programs of DOT by effecting the administrative decisions of management.
 - b. Reference Material.
 - (1) The voucher examiner, in order to properly carry out his/her responsibilities, must have ready access to the following material:
 - (a) DOT and implementing operating administration directives dealing with accounting, voucher examination, travel and procurement.

- (b) Treasury Fiscal Requirements Manual for Guidance of Departments and Agencies (TFRM).
 - (c) United States Code (USC).
 - (d) Decisions of the Comptroller General of the United States.
 - (e) GAO's Policy and Procedures Manual for Guidance of Federal Agencies.
 - (f) Standardized Regulations (Government Civilians, Foreign Areas) and the Foreign Affairs Manual of the Department of State.
 - (g) Joint Travel Regulations of the Department of Defense.
 - (h) Code of Federal Regulations (CFR).
- (2) The above are the essential tools of the voucher examiner. The examiner's familiarity with them should be current and generally extensive depending on their assignments so that they may perform an adequate examination.

c. Examination of Vouchers.

Effective internal control over disbursements requires the examination and approval of vouchers before they are certified for payment. The principal objectives of the examination of a voucher are detailed in paragraph 4, Chapter 2 of this manual.

4. CERTIFYING OFFICERS.

- a. General. An authorized certifying officer is an employee who has been designated to certify voucher schedules for payment and whose authorizations and signature cards are on file in the Treasury Department disbursing center to which voucher schedules are submitted for payment. Authority to designate certifying officers has been delegated to the Assistant Secretary for Administration for OST (49 CFR 1.59), and to the head of each operating administration (49 CFR 1.45). Redelelegation of this authority to the chief of each accounting office is encouraged. A certified copy of the delegation and each related redelegation, along with specimen signatures of each person given the authority to designate certifying officers, will be sent to the servicing Treasury disbursement center (1 TFRM 4-2040.30c). Certifying officers in some operational environments may, of necessity, also function as voucher examiners. However, a certifying officer may not certify voucher schedules pertaining to vouchers

which he/she has also examined in his/her role as voucher examiner. Consideration should be given to the designation of chief accounting officers and other supervisory accounting personnel as certifying officers to certify cases involving greater administrative judgement. The basic directive on the role of certifying officers is 1 TFRM 4-2040.

b. Designation of Certifying Officers.

(1) Signature Card.

- (a) SF 210, Signature/Designation Card for Certifying Officers, will be used for the simultaneous designation and authentication of the signature of employees selected to act as authorized certifying officers in accordance with 1 TFRM 4-2040. The employee may be designated to certify all types of vouchers or may be limited to certain types as specified on SF 210. The SF 210 is self-explanatory as to preparation, except that the place of payment should be the location of the disbursing office to which voucher schedules will be certified for payment. If a certifying officer is required to certify to more than one disbursing office, a separate SF 210 should be prepared for each place of payment.
- (b) The corresponding Agency Location Code (ALC) should be entered on the face of the SF 210 just above the information on the "bureau or office" line.
- (c) The SF 210 shall be signed by the designated authorizing official and forwarded to the appropriate disbursing officer (D.O.).
- (d) In order for the servicing disbursing officer to maintain current files of SF 210's, an annual listing of certifying officers should be submitted at the end of each fiscal year to the servicing disbursing officer (1 TFRM 4-2040.30h).

(2) Letters-of-Credit.

- (a) A minimum of one primary and one alternate certifying officer should be designated in each applicable accounting office to certify letters-of-credit. Even though the individual(s) selected have previously been designated to certify all classes of vouchers, a separate designation is required for letters-of-credit. In completing the

SF 210, the class of vouchers to be certified will be described as "Letter-of-Credit."

- (b) The certifying officer who signs the letter-of-credit and thus certifies that payments authorized by the letter-of-credit are correct and proper has the same responsibility for propriety of the payment as for an expenditure by a check drawn on the Treasurer of the United States. The Standard Form 1194, Authorized Signature Card for Payment Vouchers on Letter-of-Credit, submitted by the recipient organization, must also be signed by the authorized certifying officer prior to forwarding to the Treasury Department. Therefore, if the recipient's designated official who certifies as to the authenticity of the persons authorized to sign payment vouchers is unknown to the DOT certifying officer, the certifying officer should request documentation of the designating official's authority. In any event, responsibility for signatories rests with the certifying officer.
- (3) Special Certifying Officers. A certifying officer should be designated in one accounting office, in those administrations with field accounting organizations, to act in an administration-wide capacity in certifying payments from accounts 20X1807, Refund of Moneys Erroneously Received and Covered, and 20X6133, Payment of Unclaimed Moneys (T). However, when the receipt and payment function is decentralized, a certifying officer may be designated at each field location.
- (4) Certification. Each original voucher or invoice examined shall be initialed and dated by the voucher examiner. Date stamp the examiner's name and the words, "Passed for Payment" on the voucher or invoice. Initial by the name. (This requirement may be waived for those accounting offices that have established a mechanized system for the payment of recurring fixed and variable charges, such as utilities, provided that controls have been established to prevent duplicate payments and to insure that payments are made only to authorized vendors.) Only the original of SF 1166, Voucher and Schedule of Payments, shall be signed and dated by a certifying officer. Show the name of the certifying officer typed or stamped below the signature.

- (5) Revocation or Amendment of Authorizations. When the authorization of a certifying officer is amended or revoked, or his/her services are terminated, the appropriate disbursing officer shall be promptly notified by letter or other appropriate written notice, signed by the chief of the accounting office, indicating the effective date of the termination, revocation, or amendment. Authorizations to certify vouchers will be deemed to be in effect until official notice of amendment, revocation or termination has been received by the disbursing officer.
- (6) SF 1081 Certification. Accounting officers may administratively designate employees as certifying officers to certify SF 1081 transactions. Notification to the Treasury Disbursing Officer of the designee is not required. The accounting officer should insure that designated employees are familiar with the procedures and responsibilities for completing interagency business transactions. Treasury Department regulations in this area can be found in 1 TFRM 2-2500.

c. Responsibility and Liability of Certifying Officers.

- (1) General Responsibility. The Certifying Officers Act (31 USC 3528) holds authorized certifying officers individually and personally responsible for their acts with respect to the certification of vouchers for payment. Their certification of vouchers is not a ministerial act, but is one to be performed or not, according to the judgment of the individual based on the facts establishing the legality and propriety of the claim. Certifying officers shall not be arbitrary, capricious, or dilatory in their consideration and disposition of vouchers presented for certification.
- (2) Proper and Legal Payment. The certifying officer shall be:
 - (a) Held responsible for the existence and correctness of the facts on the voucher or invoice and the supporting documents, for the legality of the payment, and for the correctness of the computations.
 - (b) Held liable for and required to make good to the Government the amount of any illegal, improper, and incorrect payment resulting from any false, misleading or inaccurate certification as well as for any payment prohibited by law.

(3) Scope of Liability.

- (a) Certifying officers may avoid liability for erroneous payments by stating they were not in a position to personally determine the facts or that they depended on the statement of approval of others, if it can be shown that neither they nor the others upon whom they relied, in the reasonable exercise of care and diligence, could have known the true facts.
- (b) He/she will not be held pecuniarily liable for payments under claim settlements by the General Accounting Office except for determining sufficiency of funds to cover the payment.
- (c) He/she will not be held liable for illegal, improper, or incorrect payments passed without examination under an approved statistical sampling plan.
- (d) He/she will not be held liable for overpayments for transportation requests or Government bills of lading due to the use of improper rates, classification, or failure to make proper deductions under equalization or other agreements.
- (e) Persons designated as SF 1081 certifying officers are advised that payment of a document where a claim for refund is made due to dispute of part of the billed amount does not constitute a violation of antideficiency responsibilities (1 TFRM 2-2540.90).

(4) Right to Advance Decision.

A certifying officer has the right to apply for and obtain a decision by the Comptroller General on any question of law involved in a payment on any voucher presented for certification (31 USC 3529). A request for such a decision must be accompanied by a copy of the voucher and of each supporting document involved. For items of \$25 or less, see paragraph 4d(1)(a) below.

(5) Certifying Officers' Responsibilities Under DOT's Uniform Payroll System (UPS).

- (a) The Federal Aviation Administration (FAA) is currently responsible for generating payments to Departmental employees paid under the Uniform Payroll System. The pay is calculated centrally at the Mike Monroney

Aeronautical Center (AAC) in Oklahoma City, Oklahoma. Supporting documentation is retained at geographically dispersed accounting offices. Facts from these documents are entered in data entry systems at each of the offices and transmitted to the central computer. A single magnetic tape check issue file and Voucher and Schedule of Payments, SF 1166, are prepared at the central site where a certifying officer certifies the entire payroll.

- (b) The General Accounting Office has stated that one major factor to be considered in relieving certifying officers who use automated accounting systems is whether the certifying officer received assurances that the computerized system controls are operating effectively.
- (c) FAA's guidance to the UPS certifying officer is contained in FAA Order 2730.9, Uniform Payroll System Operations Manual.
- (d) The people at the decentralized accounting offices who negligently authorize erroneous transactions to be included in the central payment are not liable under the provisions of 31 USC 3528; however, they will be subject to disciplinary action under other legislation and regulations. In addition, the certifying officer who is held liable for an erroneous payment may be entitled to institute collection action against the recipient of the erroneous payment.

d. Submission of Doubtful Claims.

- (1) When a certifying officer has determined that a voucher or invoice cannot be certified due to a doubtful question of law or fact and the accounting office (including the next highest level accounting office in those operating administrations with field accounting offices) cannot resolve the question, the case shall be processed in accordance with the following criteria:
 - (a) Doubtful claims of \$25 or less (except those required by statute, by regulation, or by Comptroller General Decision to be settled outside the Department) shall be submitted to the head of the operating administration or his designee who is authorized to approve or render a final decision. (For example, such claims involving OST shall be submitted to the Chief, Accounting Operations

Division, for review and decision.) A copy of such decision shall be attached to the voucher as supporting documentation for disposition of the claim (Comptroller General letter B-161457 of 7/14/76).

- (b) Doubtful claims in excess of \$25 shall be submitted to the Comptroller General for decision or to the GAO Claims Group for adjudication and will be forwarded by letter signed by a certifying officer and supported with the signed original voucher and other related documents. The covering letter will explain in full all the facts involved, any action taken, reason(s) why the voucher is considered doubtful, recommendations regarding payment, citation to the appropriation to be charged in the event the claim is approved for payment, and a statement that the voucher has not been paid.
 - (c) The employee, vendor, contractor, or grantee whose voucher has been forwarded to the Comptroller General for decision or the GAO Claims Group for adjudication will be promptly informed of the action by letter which will include the complete address of the Comptroller General or the GAO Claims Group and advise that any further inquiries be directed to the appropriate address.
- e. GAO Audit of Accounts. The GAO conducts periodic site audits of financial transactions in the process of the settlement of the accounts of certifying officers. Exceptions are taken to payments deemed erroneous.
- f. Notice of Exception.
- (1) General. Where an exception is taken by the General Accounting Office involving the liability of a certifying officer, the reasons are stated on a Notice of Exception, GAO Form 1100. Before a formal exception is taken, the GAO auditors will usually try to resolve the questions through informal inquiry and discussion. The informal inquiry process is intended to result in a reduction in the number of formal Notices of Exception issued by the General Accounting Office. The informal inquiry process is discussed in Section 63, Chapter 7, Title 3, GAO's Policy and Procedures Manual for Guidance of Federal Agencies (3 GAO 63).

- (2) Issuance of Exceptions. Unless otherwise requested by the Department, the General Accounting Office forwards the original and four copies of the GAO Form 1100 to the administrative agency at the location where the records are kept. The original and two copies are for the certifying officer (3 GAO 61.2a(1)).
- (3) Filing. Upon issuance by the General Accounting Office of a Notice of Exception or an Informal Inquiry (see 3 GAO 63), it is the responsibility of the accounting officer having possession of the original voucher to securely attach a copy of the Notice of Exception or Informal Inquiry and all related replies or correspondence to such original basic voucher. This documentation should remain permanently attached when the voucher is sent to a Federal Records Center for permanent filing.
- (4) Replies. The replies to exceptions should be given prompt attention and stated in the space provided on the GAO Form 1100. The original, with the reply stated thereon, after being administratively verified by the head of the accounting office, will be signed by the responsible certifying officer and returned promptly to the General Accounting Office audit organization which issued the exception. If the responsible certifying officer is no longer available, the reply should be signed by any current certifying officer and should include the last known address of the certifying officer against whom the exceptions were taken.
- (5) Acknowledgment of Replies. When the General Accounting Office finds that a reply to an exception is satisfactory it will so notify the responsible officer. If they are not satisfied with the reply, a revised exception will be issued explaining why the reply was unsatisfactory.
- (6) Reporting Repayments.
 - (a) Report all repayments for exceptions and informal inquiries to the GAO audit group from which the exception or inquiry was received. The report should show a reference to amount collected and D.O. symbol and either the certificate of deposit or the number and date of the voucher and schedule of payments on which the collection was made.

- (b) If the indebtedness is liquidated by a single repayment, the repayment will be reported on the original GAO Form 1100 or if that form has been returned, on a copy of GAO Form 1100, or by letter with reference to number and date of the applicable GAO Form 1100.
- (c) If the indebtedness is to be liquidated by installment, the repayment will be reported twice yearly by letter as of the end of June and December and within 15 days after the end of the reporting period.
- (7) Requesting Assistance of GAO to Recover Erroneous Payments. When administrative efforts to collect indebtedness on account of exceptions have been exhausted, the assistance of GAO may be requested. Such requests should be submitted by the chief of the accounting office to the GAO Claims Group, through GAO auditors who issued the exception.

g. Relief of the Certifying Officer.

- (1) General. If the payment was otherwise proper, the Comptroller General may relieve a certifying officer of liability under an exception whenever he/she finds that (a) the certification was based on official records and the certifying officer did not know and could not have ascertained the facts by reasonable diligence and inquiry, or (b) that the liability was incurred in good faith, the payment was not contrary to statutory provision, and the United States received value for the payment.
- (2) Requests for Relief. A certifying officer has the right to request relief from an exception by presenting the facts of the case in writing. Such a request is not made until all efforts to collect have failed. Submit the request to the GAO auditors who issued the exception. If GAO declines to grant relief, the General Counsel may be requested to develop a private bill sponsored by DOT to relieve the certifying officer.